



Fibonacci Retracement and Extension Levels

By @CryptoCred



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I am not a financial advisor and hold no formal qualifications in this area.

Trade entirely at your own risk.

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Shoutout

@I_Am_ICT

@CryptoRedPill

@Trader_Dante

@Tradermayne



Outline

General Remarks

Setting Up the Fibonacci Retracement Tool [TradingView/Coinigy]

Fibonacci Anchor Selection - Which Highs/Lows to Pick

Using Fibonacci Levels to Identify Support/Entries

Using Fibonacci Levels to Identify Resistance/Targets

Using Fibonacci Levels to Identify Resistance/Targets at ATH

Advanced Concepts

How I Use Fibonacci Levels

Conclusion



General Remarks

The focus of this lesson - the Fibonacci retracement tool - can be used to draw retracement as well as extension levels

Ask 5 traders how they use Fibonacci levels and you'll likely get 5 different answers - I am covering the basics/(hopefully) least contentious variations

Understanding what swing highs and swing lows look like is very helpful

0.5/50% isn't a Fibonacci number but it's an important retracement level nonetheless

Fibonacci levels are great for adding confluence to your setups, regardless of whether you use price action, indicators, patterns, harmonics, etc.

There's lots of wiggle room when it comes to setting up Fibonacci levels - experiment & see what works for you

I don't use Fibonacci levels to project support/entries at ATL



Setting Up the Fibonacci Retracement Tool


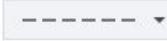
Outlined in video.



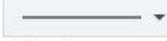
Style























Coordinates


Visibility



Trend Line   

Levels Line   


<input checked="" type="checkbox"/> 0 	<input checked="" type="checkbox"/> 2.618 	<input checked="" type="checkbox"/> -1 
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<input checked="" type="checkbox"/> 0.618 	<input checked="" type="checkbox"/> -0.236 	<input type="checkbox"/> 4.272 
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<input checked="" type="checkbox"/> 1.618 	<input checked="" type="checkbox"/> -0.786 	<input type="checkbox"/> 4.764 

Use one color 

Extend Lines Reverse

Levels Prices Percents

Labels

Background 

Template ▾

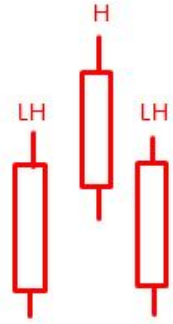
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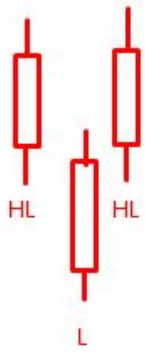


Fibonacci Anchor Selection - Which Highs/Lows to Pick

- Understanding what swing highs and swing lows look like is helpful for effective Fibonacci anchor selection
- Swing high - a high + lower high on both sides
- Swing low - a low + higher low on both sides
- Wicks or candle bodies?
 - Use the wicks to identify the swing high/swing low
 - You can however use the candle bodies to anchor your Fibs i.e. highest close/lowest close as opposed to the absolute high/low



Swing High



Swing Low



Fibonacci Anchor Selection - Which Highs/Lows to Pick II

- So you know what a swing high/swing low looks like - but there are loads of them!
- How does one identify which specific swing high/low is a good place for an anchor?
 - No 'objective' answer - hence why so many traders set up & use Fibs differently
 - My preference - deep/obvious/stand out swings → ones which your eye is drawn to
 - Remember institutional order flow lesson: which swing high/low will entice traders?
- Summary:
 - Swing highs and swing lows - which usually form at the top/bottom of a move - make for good anchors
 - When refining which swing high/swing low to choose - the good ones tend to be the obvious ones
 - These criteria are valid across all time frames i.e. you can apply these regardless of whether you're 'Fibbing' big 1D moves or smaller time frame scalps



Using Fibonacci Levels to Identify Support/Entries

- Basic premise: using Fibonacci levels to identify where price may retrace to after moving up
- How:
 - Identify the base of the rally - a swing low
 - Identify the peak of the rally - a swing high/self-evident 'top'
 - Select your Fibonacci retracement tool
 - Click 1: swing low
 - Click 2: swing high
 - Fibonacci levels will appear
- Chart examples



Using Fibonacci Levels to Identify Resistance/Targets

- Basic premise: using Fibonacci levels to identify where price may find resistance after a move down
- How:
 - Identify the peak of the rally - a swing high
 - Identify the bottom of the move down - a swing low
 - Select your Fibonacci retracement tool
 - Click 1: swing high
 - Click 2: swing low
 - Fibonacci levels will appear
- Chart examples



Using Fibonacci Levels to Identify Resistance/Targets at ATH

- Basic premise: using Fibonacci levels to identify plausible targets/resistance when price is at ATH
- How:
 - Identify a significant swing high AND/OR ATH
 - Identify a significant swing low AND/OR ATL
 - Click 1: the high
 - Click 2: the low
 - Fibonacci levels, including extension (1.XXX/2.XXX et cetera) levels, will appear
- Chart examples



Advanced Concepts

- Thus far we have learned how to identify potential support/resistance using Fibonacci levels - but one can also use the same Fibonacci setup to set targets if price finds support/resistance at a Fibonacci level
 - I learned this concept from @I_Am_ICT free videos → only this concept, overall he uses Fibs in a unique way and I recommend checking out his video (link in description) and mentorship for further details
- How:
 - Refer back to setup slide and ensure that you've customised your parameters to include the negative Fib values
 - Set up as normal (ascertain whether you're looking to buy a dip/sell a rally and Fib accordingly)
 - Targets: Negative Fib levels (but including 0 in case price fails to make a new high/low) using the same Fibonacci setup
- Excellent for shorter-term plays/scalping setups
- Chart examples



How I Use Fibonacci Levels

- As always, DYOR and see what works for you → this is simply a tool, make it fit your preferences
- My preferred uses:
 - Mapping 1D Fibonacci levels based on big moves/deep swings
 - Confluence only → I never trade a Fibonacci level on its own
 - I pay the most attention to .382/.5/.618 Fibonacci levels
- To reiterate: this works best for me based on my higher time frame trading preference and style

Conclusion

- Thanks for watching - hopefully you learned something new!
- As with all my other lessons, but especially this one, tailor the tool to your needs and preferences

- I'm building one of the most comprehensive free trading resources - consider a \$BTC donation
- \$BTC: 3CZcvMarMjHfasHouq3NJfDpwZKjCWXFQY
- Good luck & happy trading!



bitcoin:3CZcvMarMjHfasHouq3NJfDpwZKjCWXFQY